



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0196	Title:	Create coal development impact fund
Primary Sponsor:	Lange, Michael	Status:	As Amended in House Appropriations Committee

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
State Special Revenue	\$60,403	\$57,862	\$59,747	\$0
Revenue:				
General Fund	(\$60,403)	(\$57,862)	(\$59,747)	\$0
State Special Revenue	\$60,403	\$57,862	\$59,747	\$0
Net Impact-General Fund Balance:	(\$60,403)	(\$57,862)	(\$59,747)	\$0

Description of Fiscal Impact:

HB 196 as amended in the House Appropriations Committee; creates a coal development impact account in the Department of Commerce and allocates 0.16% from the coal severance tax revenue stream authorized in 15-35-108, MCA, to the account. HB 196 decreases the percentage of coal severance tax revenues credited to the state general fund from 26.79% to 26.63%.

FISCAL ANALYSIS

Assumptions:

Department of Commerce (DOC)

1. Section 2 creates a coal development impact state special revenue account in the Department of Commerce and reallocates 0.16% each year in general fund coal severance tax revenues to the account. For the purposes of this fiscal note the DOC is using the coal severance tax revenue projections prepared by the Legislative Fiscal Division (LFD) in their budget analysis for the 2009 biennium as a baseline to calculate the fiscal impacts of HB 196 as amended by the House Appropriations Committee (FY 2008 = \$37.752 million and FY 2009 = \$36.164 million). LFD revenue projections have also been adopted in HJR 2. FY 2010 revenues are estimated to be \$37.342 million and FY 2011 revenues are estimated to be \$37.859 million.

2. The bill designates the Coal Board, which is administratively attached to the DOC, Community Development Division, as the agency responsible for awarding grants from the coal development impact account. For the purposes of this fiscal note it is assumed that each year's revenues would be disbursed as grants.
3. Funds allocated to the coal development impact account can only be used for damages to government facilities that result from impacts related to coal development. Funds also may be allocated to state agencies to mitigate coal development impacts on wildlife or wildlife habitat or to pay for mitigation of impacts related to the development of coal resources to a land owner.
4. The 0.16% that is allocated to the coal development impact account would decrease general fund coal tax revenue by 0.16%.
5. HB 196 as amended in the House Appropriations Committee requires the DOC to provide a report to the legislature on the allocation of funds from the coal development impact account. The required report would be provided by existing DOC staff assuming the Coal Board's 2009 biennium budget request is approved as requested.
6. HB 196 terminates on June 30, 2010.

	<u>FY 2008</u> <u>Difference</u>	<u>FY 2009</u> <u>Difference</u>	<u>FY 2010</u> <u>Difference</u>	<u>FY 2011</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Grants	\$60,403	\$57,862	\$59,747	\$0
<u>Funding of Expenditures:</u>				
State Special Revenue (02)	\$60,403	\$57,862	\$59,747	\$0
<u>Revenues:</u>				
General Fund (01)	(\$60,403)	(\$57,862)	(\$59,747)	\$0
State Special Revenue (02)	\$60,403	\$57,862	\$59,747	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$60,403)	(\$57,862)	(\$59,747)	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0

Technical Notes:

1. The termination date in section 8 of the bill is inconsistent with page 3 lines 22 and 23. Section 8 terminates the proposed funding stream on June 30, 2010 and the bill seeks funding in a code section that has a July 1, 2010 effective date.

Sponsor's Initials

Date

Budget Director's Initials

Date